

DEBTOR: Minnesota School of Business, Inc.

**MONTHLY OPERATING REPORT**  
**CHAPTER 11**

CASE NUMBER: 19-33629

**Form 2-A**  
**COVER SHEET**

For Period Ending 12/31/2019

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

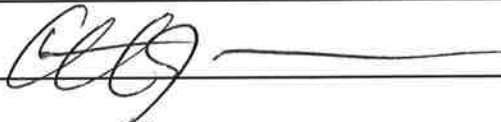
**THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH**

Mark One Box for Each  
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. Submit the original Monthly Operating Report bearing an original signature, to the U. S. Trustee. A copy of the Report must be filed with the Clerk of Court. 11 U.S.C. § 704(8)

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

***I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.***

Executed on: 1/24/20 Print Name: Kenneth J. McCarthy  
Signature:   
Title: CFO

**DEBTOR:** Minnesota School of Business, Inc. **CASE NO:** 19-33629

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 11/20/2019 to 12/31/2019

**CASH FLOW SUMMARY**

	<u>Current Month</u>	<u>Accumulated</u>
<b>1. Beginning Cash Balance</b>	\$ <u>3,282,575.38</u> (1)	\$ <u>0</u> (1)
<b>2. Cash Receipts</b>		
Operations	222.00	0
Sale of Assets	-	0
Loans/advances	-	0
Rent Received	107,196.51	0
Other - Interest Income	4,123.19	
<b>Total Cash Receipts</b>	\$ <u>111,541.70</u>	\$ <u>0</u>
<b>3. Cash Disbursements</b>		
Operations	47,357.85	0
Debt Service/Secured loan payment	77,623.75	0
Professional fees/U.S. Trustee fees	-	0
Other - Due from LLCs	1,986.26	0
<b>Total Cash Disbursements</b>	\$ <u>126,967.86</u>	\$ <u>0</u>
<b>4. Net Cash Flow (Total Cash Receipts less     Total Cash Disbursements)</b>	<u>(15,426.16)</u>	<u>0</u>
<b>5 Ending Cash Balance (to Form 2-C)</b>	\$ <u><u>3,267,149.22</u></u> (2)	\$ <u><u>0</u></u> (2)

**CASH BALANCE SUMMARY**

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash	<u>n/a</u>	\$ 0
DIP Operating Account	<u>Wells Fargo</u>	3,267,149.22
DIP State Tax Account	<u>n/a</u>	0
DIP Payroll Account	<u>n/a</u>	0
Other Operating Account	<u>n/a</u>	0
Other Interest-bearing Account	<u>n/a</u>	0
<b>TOTAL (must agree with Ending Cash Balance above)</b>		\$ <u><u>3,267,149.22</u></u> (2)

**(1) Accumulated beginning cash balance is the cash available at the commencement of the case**  
**Current month beginning cash balance should equal the previous month's ending balance**  
**(2) All cash balances should be the same.**

DEBTOR: Minnesota School of Business, Inc.

CASE NO: 19-33629

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 11/20/2019 - 12/31/2019

**CASH RECEIPTS DETAIL**

*(attach additional sheets as necessary)*

Account No:

n/a

Date	Payer	Description	Amount
11/21/2019	Headway Emotional Health	Due to MSB Holdings - Brooklyn Center, LLC	\$ 26,807.32
11/27/2019	NRG	Due to MSB Holdings - Lakeville, LLC	6,768.75
11/29/2019	Marcus Corp	Due to MSB Holdings - Shakopee, LLC	10,857.82
11/29/2019	Relics	Due to MSB Holdings - Woodbury, LLC	12,102.69
11/29/2019	Bright Horizons	Due to MSB Holdings - Woodbury, LLC	12,008.70
12/2/2019	Wells Fargo	Sweep Dividend Interest	4,123.19
12/3/2019	Guaranteed Rate	Due to MSB Holdings - Lakeville, LLC	1,817.48
12/4/2019	ISD #286	Due to MSB Holdings - Brooklyn Center, LLC	24,396.30
12/5/2019	CMI	Bad Debt Recovery	100.00
12/5/2019	CMI	Bad Debt Recovery	122.00
12/31/2019	Bright Horizons	Due to MSB Holdings - Woodbury, LLC	12,437.45

**Total Cash Receipts**

**\$ 111,541.70 (1)**

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

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DEBTOR: Minnesota School of Business, Inc.

CASE NO: 19-33629

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**  
For Period: 11/20/2019 to 12/31/2019

**CASH DISBURSEMENTS DETAIL**  
*(attach additional sheets as necessary)*

Account No: n/a

Date	Check No.	Payee	Description (Purpose)	Amount
11/20/2019	2012879	CMI	collection expense	\$ 46.24
11/20/2019	2012876	CenturyLink	Due from MSB Holdings - Blaine, LLC	60.45
11/20/2019	2012875	CenturyLink	Due from MSB Holdings - Woodbury, LLC	282.27
11/20/2019	2012891	Rounds	Due from MSB Holdings - Rochester, LLC	377.11
11/20/2019	2012868	Ally	final payment	386.38
11/20/2019	2012897	Landscape Company	Due from MSB Holdings - Lakeville, LLC	1,175.16
11/21/2019	2012878	CityWide	Due from MSB Holdings - Shakopee, LLC	91.27
11/29/2019	ACH	Lake Area Bank	debt service	14,970.49
11/29/2019	ACH	Insperity	payroll	14,129.87
12/2/2019	ACH	NorthStar Bank	debt service	20,515.76
12/2/2019	ACH	Home Federal	debt service	27,167.01
12/2/2019	ACH	VOYA	payroll	658.20
12/11/2019	n/a	Wells Fargo	bankcard fee	30.00
12/11/2019	n/a	Wells Fargo	client analysis service charge	776.97
12/13/2019	ACH	Insperity	payroll	14,115.37
12/13/2019	ACH	MN Revenue	payroll	786.00
12/16/2019	ACH	VOYA	payroll	658.20
12/17/2019	2014001	Mark White	employee expense reimbursement	854.88
12/19/2019	ACH	MN Revenue	payroll	701.00
12/30/2019	ACH	Lake Area Bank	debt service	14,970.49
12/31/2019	ACH	Insperity	payroll	14,214.74

**Total Cash Disbursements** **\$ 126,967.86**

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

	12/31/2019	12/31/2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and equivalents	3,270,617	2,565,967
Restricted cash	459,163	458,017
Tenant receivables, net	407,460	187,898
Prepaid expenses	8,593	3,755,132
Due from affiliates	10,059,576	9,801,047
Notes receivable from shareholders	(2,386,577)	(2,386,577)
Total current assets	11,818,832	14,381,483
<b>Property and Equipment</b>		
Equipment	1,254,998	3,810,771
Furniture and fixtures	281,163	510,034
Buildings and improvements	34,690,024	34,261,711
	36,226,185	38,582,516
Accumulated depreciation and amortization	(11,797,804)	(13,878,782)
	24,428,380	24,703,734
Land	8,554,466	8,554,466
Property and equipment, net	32,982,846	33,258,200
<b>Other Assets</b>		
Lease related receivables and initial direct cost	1,712,480	1,897,966
Loan origination fees, net	4,638 -	-
Total other assets	1,717,118	1,897,966
<b>TOTAL ASSETS</b>	<b>46,518,797</b>	<b>49,537,649</b>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Current portion of long-term debt	354,151	3,652,563
Accounts payable	426,063	251,080
Accrued liabilities	418,805	363,469
Total current liabilities	1,204,044	4,272,921

Long-term Debt

Notes payable to banks	7,331,809	4,364,090
Capital leases	-	71,079
Total liabilities	8,535,852	8,708,090

SHAREHOLDERS' EQUITY

Common stock	30,360	30,360
Additional paid-in capital	3,622,773	3,622,773
Retained earnings	37,176,427	39,536,415
Current year income	(2,846,616)	(2,359,988)
Total shareholders' equity	37,982,944	40,829,560

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

46,518,797	49,537,649
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BALANCE SHEETS

	12/31/2019	12/31/2018
<b>ASSETS</b>		
Current Assets		
Cash and equivalents	-	\$1,827,309
Student receivables, net	-	309,436
Total current assets	-	2,136,745
Property and Equipment		
Equipment	-	278,358
	-	278,358
Accumulated depreciation and amortization	-	(178,931)
Property and equipment, net	-	99,427
Other Assets		
TOTAL ASSETS	-	\$2,236,172
<b>EQUITY</b>		
Current Liabilities		
Accounts payable	943,800	795,454
Accrued liabilities	92,557	150,004
Due to affiliates	11,809,494	11,545,309
Total current liabilities	12,845,851	12,490,767
Long-term Debt		
Total liabilities	12,845,851	12,490,767
SHAREHOLDERS' EQUITY		
Common stock	30,360	30,360
Additional paid-in capital	2,100,840	2,100,840
Retained earnings	(12,385,795)	(10,785,228)
Current year income	(2,591,256)	(1,600,567)
Total shareholders' equity	(12,845,851)	(10,254,595)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	-	\$2,236,172

Minnesota School of Business  
Consolidated Income Statement  
For the Twelve Months ending December 31, 2019

	Brooklyn Center		Shakopee		Rochester		Blaine		Lakeville		Woodbury		Corporate		MSB Total	
<b>REVENUE</b>																
MISC INCOME	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$35	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$35	0.0%
FACILITIES INCOME	\$469,774	100.0%	\$1,198,953	100.0%	\$287,055	100.0%	\$156,000	100.0%	\$613,026	100.0%	\$1,191,874	100.0%	\$116,640	100.0%	\$4,033,321	100.0%
<b>TOTAL REVENUE</b>	<b>\$469,774</b>	<b>100.0%</b>	<b>\$1,198,953</b>	<b>100.0%</b>	<b>\$287,055</b>	<b>100.0%</b>	<b>\$156,035</b>	<b>100.0%</b>	<b>\$613,026</b>	<b>100.0%</b>	<b>\$1,191,874</b>	<b>100.0%</b>	<b>\$116,640</b>	<b>100.0%</b>	<b>\$4,033,356</b>	<b>100.0%</b>
<b>OPERATING EXPENSES</b>																
PAYROLL EXPENSES	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	340,698	292.1%	340,698	8.4%
HEALTH INSURANCE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	20,939	18.0%	20,939	0.5%
SOFTWARE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	62,489	53.6%	62,489	1.5%
LEGAL & ACCOUNTING	-	0.0%	-	0.0%	1,521	0.5%	-	0.0%	-	0.0%	-	0.0%	2,040,641	1 749.5%	2,042,162	50.6%
CORPORATE EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,158	2.7%	3,158	0.1%
DUES & SUBSCRIPTIONS	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	336	0.3%	336	0.0%
RENT	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,164	3.6%	4,164	0.1%
EQUIPMENT LEASE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	354	0.0%	645	0.6%	998	0.0%
INSURANCE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	9,644	8.3%	9,644	0.2%
BANK SERVICE CHARGES	-	0.0%	-	0.0%	8,581	3.0%	-	0.0%	3,100	0.5%	-	0.0%	8,910	7.6%	20,591	0.5%
TRAVEL EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,704	4.9%	5,704	0.1%
POSTAGE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	161	0.1%	161	0.0%
OFFICE SUPPLIES	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,016	3.4%	4,016	0.1%
TELEPHONE	1,184	0.3%	-	0.0%	1,144	0.4%	3,061	2.0%	2,645	0.4%	-	0.0%	182,189	156.2%	190,223	4.7%
COLLECTION EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,045	0.9%	1,045	0.0%
PAYROLL PROCESSING	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,475	4.7%	5,475	0.1%
MISC. ADMIN.	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(1,210)	( 1.0%)	(1,210)	( 0.0%)
CREDIT CARD PROCESSING FEES	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	415	0.4%	415	0.0%
DEPRECIATION EXPENSE	58,628	12.5%	152,293	12.7%	105,182	36.6%	-	0.0%	74,940	12.2%	426,389	35.8%	-	0.0%	817,432	20.3%
AMORTIZATION EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	928	0.2%	-	0.0%	-	0.0%	928	0.0%
BAD DEBT EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(6,598)	( 5.7%)	(6,598)	( 0.2%)
MINNESOTA FRANCHISE TAX	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,210	8.8%	10,210	0.3%
SALES & USE TAX	2,295	0.5%	1,038	0.1%	1,082	0.4%	588	0.4%	693	0.1%	146	0.0%	1,898	1.6%	7,740	0.2%
OCCUPANCY EXPENSE	432,093	92.0%	691,253	57.7%	132,928	46.3%	244,074	156.4%	323,803	52.8%	1,055,051	88.5%	46,731	40.1%	2,925,933	72.5%
<b>TOTAL OPERATING EXPENSES</b>	<b>494,200</b>	<b>105.2%</b>	<b>844,584</b>	<b>70.4%</b>	<b>250,438</b>	<b>87.2%</b>	<b>247,723</b>	<b>158.8%</b>	<b>406,109</b>	<b>66.2%</b>	<b>1,481,940</b>	<b>124.3%</b>	<b>2,741,660</b>	<b>2 350.5%</b>	<b>6,466,653</b>	<b>160.3%</b>
<b>OTHER INCOME/EXPENSES</b>																
INTEREST INCOME	-	0.00%	-	0.00%	1,046	0.36%	-	0.00%	-	0.00%	-	0.00%	61,092	52.38%	62,137	1.54%
INTEREST EXPENSE	(121,413)	-25.84%	-	0.00%	(182,734)	-63.66%	-	0.00%	(112,768)	-18.40%	-	0.00%	(59,302)	-50.84%	(476,217)	-11.81%
GAIN ON SALE OF BUILDING	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	764	0.66%	764	0.02%
<b>TOTAL OTHER INCOME/EXPENSES</b>	<b>(121,413)</b>	<b>( 25.8%)</b>	<b>-</b>	<b>0.0%</b>	<b>(181,688)</b>	<b>( 63.3%)</b>	<b>-</b>	<b>0.0%</b>	<b>(112,768)</b>	<b>( 18.4%)</b>	<b>-</b>	<b>0.0%</b>	<b>2,554</b>	<b>2.2%</b>	<b>(413,316)</b>	<b>( 10.2%)</b>
<b>NET INCOME (LOSS)</b>	<b>(145,839)</b>	<b>( 31.0%)</b>	<b>354,369</b>	<b>29.6%</b>	<b>(145,071)</b>	<b>( 50.5%)</b>	<b>(91,688)</b>	<b>( 58.8%)</b>	<b>94,149</b>	<b>15.4%</b>	<b>(290,066)</b>	<b>( 24.3%)</b>	<b>(2,622,466)</b>	<b>( 2 248.3%)</b>	<b>(2,846,613)</b>	<b>( 70.6%)</b>



Minnesota School of Business  
Consolidated Income Statement  
For the Twelve Months ending December 31, 2019

	Brooklyn Center		Shakopee		Rochester		Blaine		Lakeville		Woodbury		Corporate		MSB Total	
<b>PAYROLL RELATED EXPENSES</b>																
CORPORATE SALARIES	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	304,668	261.2%	304,668	7.6%
401K EMPLOYER MATCH	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	2,863	2.5%	2,863	0.1%
PAYROLL TAX EXPENSE	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	33,166	28.4%	33,166	0.8%
<b>TOTAL PAYROLL EXPENSES</b>	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	340,697	292.1%	340,697	8.4%
<b>MARKETING EXPENSES, excluding salaries</b>																
<b>OCCUPANCY EXPENSES</b>																
RENT	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,164	3.6%	4,164	0.1%
PROF FEES	58,951	12.5%	15,157	1.3%	6,075	2.1%	19,704	12.6%	25,355	4.1%	90,647	7.6%	-	0.0%	215,889	5.4%
REAL ESTATE TAXES	72,512	15.4%	192,851	16.1%	-	0.0%	89,156	57.1%	120,626	19.7%	446,198	37.4%	-	0.0%	921,342	22.8%
WATER & SEWER	13,665	2.9%	11,592	1.0%	8,027	2.8%	2,224	1.4%	3,152	0.5%	7,672	0.6%	-	0.0%	46,332	1.1%
UTILITIES	128,734	27.4%	185,444	15.5%	38,171	13.3%	38,107	24.4%	69,991	11.4%	149,033	12.5%	-	0.0%	609,481	15.1%
GAS	47,277	10.1%	29,619	2.5%	13,029	4.5%	21,159	13.6%	4,303	0.7%	-	0.0%	(8)	(0.0%)	115,380	2.9%
BUILDING R&M	4,268	0.9%	2,582	0.2%	8,776	3.1%	6,264	4.0%	16,037	2.6%	181,401	15.2%	46,635	40.0%	265,964	6.6%
CLEANING & SUPPLIES	-	0.0%	53,747	4.5%	-	0.0%	2,571	1.6%	37,236	6.1%	33,202	2.8%	-	0.0%	126,755	3.1%
FIRE PROTECTION	31,797	6.8%	2,466	0.2%	4,209	1.5%	1,835	1.2%	1,798	0.3%	11,595	1.0%	104	0.1%	53,803	1.3%
HVAC REPAIRS	31,995	6.8%	34,808	2.9%	12,300	4.3%	10,003	6.4%	10,532	1.7%	28,631	2.4%	-	0.0%	128,269	3.2%
LANDSCAPE	7,126	1.5%	19,007	1.6%	9,547	3.3%	11,826	7.6%	8,226	1.3%	17,137	1.4%	-	0.0%	72,868	1.8%
PARKING LOT R&M	-	0.0%	8,920	0.7%	6,164	2.1%	5,045	3.2%	600	0.1%	19,110	1.6%	-	0.0%	39,839	1.0%
REFUSE	6,032	1.3%	25,539	2.1%	4,508	1.6%	3,042	1.9%	4,012	0.7%	9,069	0.8%	-	0.0%	52,203	1.3%
SECURITY	-	0.0%	24,896	2.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	24,896	0.6%
SNOW PLOWING	15,207	3.2%	52,542	4.4%	12,638	4.4%	24,339	15.6%	12,187	2.0%	39,089	3.3%	-	0.0%	156,001	3.9%
PROPERTY INSURANCE	14,530	3.1%	32,084	2.7%	9,484	3.3%	8,799	5.6%	9,748	1.6%	22,267	1.9%	-	0.0%	96,912	2.4%
<b>TOTAL OCCUPANCY EXPENSES</b>	<b>432,094</b>	<b>92.0%</b>	<b>691,254</b>	<b>57.7%</b>	<b>132,928</b>	<b>46.3%</b>	<b>244,074</b>	<b>156.4%</b>	<b>323,803</b>	<b>52.8%</b>	<b>1,055,051</b>	<b>88.5%</b>	<b>50,895</b>	<b>43.6%</b>	<b>2,930,098</b>	<b>72.6%</b>
<b>OVERHEAD</b>																
TOTAL OPERATING EXPENSES	494,200	105.2%	844,584	70.4%	250,438	87.2%	247,723	158.8%	406,109	66.2%	1,481,940	124.3%	2,741,660	2 350.5%	6,466,653	160.3%
Less payroll expenses	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(340,697)	( 292.1%)	(340,697)	( 8.4%)
Less occupancy expenses	(432,094)	( 92.0%)	(691,254)	( 57.7%)	(132,928)	( 46.3%)	(244,074)	( 156.4%)	(323,803)	( 52.8%)	(1,055,051)	( 88.5%)	(50,895)	( 43.6%)	(2,930,098)	( 72.6%)
<b>Total Overhead</b>	<b>62,106</b>	<b>13.2%</b>	<b>153,330</b>	<b>12.8%</b>	<b>117,510</b>	<b>40.9%</b>	<b>3,649</b>	<b>2.3%</b>	<b>82,306</b>	<b>13.4%</b>	<b>426,889</b>	<b>35.8%</b>	<b>2,350,068</b>	<b>2 014.8%</b>	<b>3,195,858</b>	<b>79.2%</b>

Globe University  
Consolidated Income Statement  
For the Twelve Months ending December 31, 2019

	<u>Globe University</u>
<b><u>REVENUE</u></b>	
MISC INCOME	\$340
<b>TOTAL REVENUE</b>	<b>\$ 340</b>
<b><u>OPERATING EXPENSES</u></b>	
HEALTH INSURANCE	1,807
STUDENT MATERIALS	39
SOFTWARE	77
LEGAL & ACCOUNTING	2,040,491
RENT	156,000
INSURANCE	(287)
BANK SERVICE CHARGES	4,399
TELEPHONE	1,246
COLLECTION EXPENSE	221
CREDIT CARD PROCESSING FEES	276
BAD DEBT EXPENSE	308,106
STATE FRANCHISE TAX	610
SALES & USE TAX	47
OCCUPANCY EXPENSE	(28,431)
<b>TOTAL OPERATING EXPENSES</b>	<b>2,484,600</b>
<b><u>OTHER INCOME/EXPENSES</u></b>	
INTEREST INCOME	18,996
INTEREST EXPENSE	(34,575)
GAIN ON SALE OF ASSETS	(91,417)
<b>TOTAL OTHER INCOME/EXPENSES</b>	<b>(106,996)</b>
<b>Net Income (Loss)</b>	<b><u>(2,591,256)</u></b>
<b><u>PAYROLL RELATED EXPENSES</u></b>	
<b><u>MARKETING EXPENSES, excluding salaries</u></b>	
<b><u>OCCUPANCY EXPENSES</u></b>	
RENT	156,000
REAL ESTATE TAXES	(55,530)
WATER & SEWER	1,537
ELECTRIC	5,439
GAS	944
BUILDING R&M	4,158
FIRE PROTECTION	1,437
HVAC REPAIRS	419
LANDSCAPE	825
SNOW PLOWING	11,670
PROPERTY INSURANCE	670
<b>Total Occupancy Expenses</b>	<b>127,569</b>
<b><u>OVERHEAD</u></b>	
TOTAL OPERATING EXPENSES	2,484,600
Less occupancy expenses	(127,569)
<b>Total Overhead</b>	<b>2,357,031</b>

DEBTOR: Minnesota School of Business, Inc.

CASE NO: 19-33629

**Form 2-E**  
**SUPPORTING SCHEDULES**  
**For Period: 11/20/2019 to 12/31/2019**

**POST PETITION TAXES PAYABLE SCHEDULE**

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal \$	-	\$ 883.29	\$ 883.29	11/29/2019	ACH	\$ -
Federal	-	883.29	883.29	12/13/2019	ACH	-
Federal	-	883.29	883.29	12/31/2019	ACH	-
State	-	451.82	451.82	11/29/2019	ACH	-
State	-	451.82	451.82	12/13/2019	ACH	-
State	-	451.82	451.82	12/31/2019	ACH	-
FICA Tax Withheld	-	439.48	439.48	11/29/2019	ACH	-
FICA Tax Withheld	-	439.48	439.48	12/13/2019	ACH	-
FICA Tax Withheld	-	439.48	439.48	12/31/2019	ACH	-
Employer's FICA Tax	-	439.48	439.48	11/29/2019	ACH	-
Employer's FICA Tax	-	439.48	439.48	12/13/2019	ACH	-
Employer's FICA Tax	-	439.48	439.48	12/31/2019	ACH	-
Unemployment Tax						
Federal	-	-	-			-
State	-	-	-			-
Sales, Use & Excise Taxes	-	639.00	-			639.00
Property Taxes	-	-	-			-
Accrued Income Tax:						
Federal	-	-	-			-
State	-	-	-			-
Other:	-	-	-			-
TOTALS	\$ -	\$ 7,281.21	\$ 6,642.21			\$ 639.00

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

**INSURANCE SCHEDULE**

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation		\$		
General Liability	Auto-Owners Insurance	\$ 2,000,000	2/1/2020	2/1/2020
Property (Fire, Theft)	Auto-Owners Insurance	\$ 47,541,790	2/1/2020	2/1/2020
Vehicle		\$		\$
Other (list):		\$		\$
Umbrella	Auto-Owners Insurance	\$ 5,000,000	2/1/2020	2/1/2020

DEBTOR: Minnesota School of Business, Inc.

CASE NO: 19-33629

**Form 2-E**  
**SUPPORTING SCHEDULES**  
For Period: 11/20/2019 to 12/31/2019

**ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING**

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ (12,437.45)	\$ 239,979.72
30 to 60 days	263,458.35	169,647.36
61 to 90 days	(32,823.25)	-
91 to 120 days	33,720.08	-
Over 120 days	-	-
<b>Total Post Petition</b>	<u>251,917.73</u>	
<b>Pre Petition Amounts</b>	<u>193,256.88</u>	
Total Accounts Receivable	\$ 445,174.61	
Less: Bad Debt Reserve	<u>37,714.42</u>	
<b>Net Accounts Receivable (to Form 2-C)</b>	<u>\$ 407,460.19</u>	
	<b>Total Post Petition Accounts Payable</b>	<u>\$ 409,627.08</u>

\* Attach a detail listing of accounts receivable and post-petition accounts payable

**SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS**

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ -	\$ 51,491.70	\$ -		\$ 105,020.63
Anthony Ostlund	\$ 10,000.00	\$ 13,113.07	\$ -		\$ 16,131.38
Donlin Recano	\$ -	\$ 7,351.55	\$ -		\$ 16,985.57
Trustee's Counsel	\$ -	\$ -	\$ -		\$ -
Accountant	\$ -	\$ -	\$ -		\$ -
Other: _____	\$ -	\$ -	\$ -		\$ -
<b>Total</b>	<u>\$ 10,000.00</u>	<u>\$ 71,956.32</u>	<u>\$ -</u>		<u>\$ 138,137.58</u>

\*Balance due to include fees and expenses incurred but not yet paid.

**SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES\*\***

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____

\*\*List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.



## DETAIL HISTORICAL AGED TRIAL BALANCE

Minnesota School of Business

[illegible]

## DETAIL HISTORICAL AGED TRIAL BALANCE

Minnesota School of Business

System: 1/24/2020 1:23:13 PM  
User Date: 1/24/2020

R4740	SLS	9/17/2019	\$27,694.24	\$27,694.24
R4764	SLS	10/14/2019	\$27,694.24	
R4789	SLS	11/13/2019	\$27,694.24	

Case No. 19-33629

Filed 01/28/20 Entered 01/28/20  
Document Page 15 of 20

Customer: 15000										Name: HIGH SCORE GAMES LLC										Totals:				Balance							
User-Defined 1: Contact: Phone: (000) 000-0000 Ext. 0000										Salesperson: Territory: Terms: Due on 1st										Credit:				Account Type: Open Item		Balance					
																				Unlimited											
Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over																						
R4269	SLS	3/20/2018	\$1,943.89						\$1,943.89																						
PYMNT004072																															
R4291	SLS	4/17/2018	\$1,943.89						(\$1,346.47)																						
R4312	SLS	5/16/2018	\$1,943.89						\$1,943.89																						
R4334	SLS	6/14/2018	\$1,943.89						\$1,943.89																						
R4355	SLS	7/17/2018	\$1,943.89						\$1,943.89																						
R4378	SLS	8/20/2018	\$1,943.89						\$1,943.89																						
R4400	SLS	9/13/2018	\$1,943.89						\$1,943.89																						
R4422	SLS	10/10/2018	\$1,943.89						\$1,943.89																						
R4445	SLS	11/15/2018	\$1,943.89						\$1,943.89																						
R4512	SLS	12/10/2018	\$1,966.22						\$1,966.22																						
R4536	SLS	1/15/2019	\$1,966.22						\$1,966.22																						
R4560	SLS	2/14/2019	\$2,411.94						\$2,411.94																						
R4585	SLS	3/6/2019	\$1,966.22						\$1,966.22																						
R4783	SLS	11/13/2019	\$1,966.22					\$1,966.22																							
Totals:																				\$0.00				\$1,966.22		\$0.00		\$24,459.14		\$26,425.36	

Customer: 19000	Name: KAZOOM PLAYCENTER		Account Type: Open Item		
User-Defined 1: Contact: Phone:	YVONNE HAUGLAND, CFO (952) 890-6524 Ext. 7550	Salesperson: Territory: Terms:	Credit:  Due on 1st	Unlimited	
Document Number	Type	Date	Amount	Discount	Writeoff
R4511	SLS	12/10/2018	\$3,442.19		
PYMNT004108		4/16/2019			
R4535	SLS	1/15/2019	\$3,442.19		
R4559	SLS	2/14/2019	\$4,583.83		
R4564	SLS	3/6/2019	\$3,442.19		
				31 - 60 Days	61 - 90 Days
				Current	91 and Over
					\$3,442.19
					(\$2,702.74)
					\$3,442.19
					\$4,583.83
					\$3,442.19

R4609	SLS	4/10/2019	\$3,442.19	\$3,442.19
R4633	SLS	5/13/2019	\$3,442.19	\$3,442.19
R4656	SLS	6/4/2019	\$3,442.19	\$3,442.19
R4680	SLS	7/16/2019	\$3,442.19	\$3,442.19
R4704	SLS	8/22/2019	\$3,442.19	\$3,442.19

Totals:	\$0.00	\$0.00	\$29,418.61	\$29,418.61
<b>Balance</b>				

<b>Customer:</b>	19500	<b>Name:</b>	LAKEVILLE SCHOOL DISTRICT ISD 194	<b>Account Type:</b>	Open Item
<b>User-Defined 1:</b>		<b>Salesperson:</b>		<b>Credit:</b>	Unlimited
<b>Contact:</b>	JOAN ECKDAHL	<b>Territory:</b>			
<b>Phone:</b>	(000) 000-0000 Ext. 0000	<b>Terms:</b>	Due on 1st		

Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over
R4800	SLS	11/13/2019	\$16,870.12				\$16,870.12		

	Debit	Credit	Balance
Totals:	\$0.00	\$16,870.12	\$0.00
			\$16,870.12

<b>Customer:</b>	24500	<b>Name:</b>	METROPOLITAN DANCE ALLIANCE	<b>Account Type:</b>	Open Item
<b>User-Defined 1:</b>		<b>Salesperson:</b>		<b>Credit:</b>	Unlimited
<b>Contact:</b>		<b>Territory:</b>			
<b>Phone:</b>	(000) 000-0000 Ext. 0000	<b>Terms:</b>	Due on 1st		

Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over
R4781	SLS	11/13/2019	\$6,736.66				\$6,736.66		

Totals:	\$0.00	\$6,736.66	\$0.00	\$0.00	\$6,736.66
					Balance

<b>Customer:</b>	32725	<b>Name:</b>	PRIOR LAKE-SAVAGE AREA SCHOOL	<b>Account Type:</b>	Open Item
<b>User-Defined 1:</b>		<b>Salesperson:</b>		<b>Credit:</b>	Unlimited
<b>Contact:</b>	JEFF HOLMBERG	<b>Territory:</b>			
<b>Phone:</b>	(000) 000-0000 Ext. 0000	<b>Terms:</b>	Due on 1st		

Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over
R4799	SLS	11/13/2019	\$25,130.97				\$25,130.97		

Totals:	\$0.00	\$25,130.97	\$0.00	\$25,130.97
				Balance

<b>Customer:</b>	34400	<b>Name:</b>	RIGHT LABS	<b>Account Type:</b>	Open Item
<b>User-Defined 1:</b>		<b>Salesperson:</b>		<b>Credit:</b>	Unlimited
<b>Contact:</b>		<b>Territory:</b>			
<b>Phone:</b>	(000) 000-0000 Ext. 0000	<b>Terms:</b>	Due on 1st		

Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over
R4797	SLS	11/13/2019	\$4,942.66				\$4,942.66		

	Balance
Totals:	\$0.00 \$4,942.66 \$0.00 \$4,942.66



DETAIL HISTORICAL AGED TRIAL BALANCE  
Minnesota School of Business

Customer: 34900										Name: ROCHESTER BEACON ACADEMY										Account Type: Open Item									
User-Defined 1:										Salesperson:										Credit:									
Contact:										Territory:										Unlimited									
Phone:										Terms:										Due on 1st									
(000) 000-0000 Ext. 0000																													
Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over																				
R4688	SLS	6/4/2019	\$24,685.80																										
PYMNT004211										9/11/2019																			
R4792	SLS	11/13/2019	\$24,607.50				\$24,607.50																						

DETAIL HISTORICAL AGED TRIAL BALANCE  
Minnesota School of Business

Customer: 50000		Name: WOODBURY SPINE WELLNESS CENTER			Account Type: Open Item				
User-Defined 1: JUSTIN NYE		Salesperson: Territory:		Credit: Unlimited					
Contact: (651) 731-0505		Terms: Due on 1st							
Phone: Ext. 0000									
Document Number	Type	Date	Amount	Discount	Writeoff	Current	31 - 60 Days	61 - 90 Days	91 and Over
R4788	SLS	11/13/2019	\$10,741.02				\$10,741.02		
			Totals:			\$0.00	\$10,741.02	\$0.00	\$0.00
							Balance		Balance
							\$10,741.02		\$10,741.02
				Customer(s)		Current	31 - 60 Days	61 - 90 Days	91 and Over
				20		(\$12,437.45)	\$291,162.50	\$27,704.15	\$138,745.41
Grand Totals:									\$445,174.61

**DEBTOR:**Minnesota School of Business, Inc.**CASE NO:**19-33629

**Form 2-F**  
**QUARTERLY FEE SUMMARY \***  
**For the Month Ended:** 12/31/2019

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____ \$	0			
February	_____	0			
March	_____	0			
TOTAL 1st Quarter	\$ _____	<u>0 \$</u>	_____	_____	_____
April	_____ \$	0			
May	_____	0			
June	_____	0			
TOTAL 2nd Quarter	\$ _____	<u>0 \$</u>	_____	_____	_____
July	_____ \$	0			
August	_____	0			
September	_____	0			
TOTAL 3rd Quarter	\$ _____	<u>0 \$</u>	_____	_____	_____
October	_____ \$	0			
November	_____	0			
December	<u>2019</u>	126,967.86	\$ 975.00	2014009	1/24/2020
TOTAL 4th Quarter	\$ _____	<u>126,967.86 \$</u>	_____	_____	_____

**FEE SCHEDULE**

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 or more	1% of quarterly disbursements or \$250,000, whichever is less
\$15,000 to \$74,999.....	\$650		
\$75,000 to \$149,999.....	\$975		
\$150,000 to \$224,999.....	\$1,625		
\$225,000 to \$299,999.....	\$1,950		
\$300,000 to \$999,999.....	\$4,875		

\* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

\*\* Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

*Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]*

**DEBTOR:** Minnesota School of Business, Inc.

**CASE NO:** 19-33629

**Form 2-G**  
**NARRATIVE**  
**For Period Ending 12/31/19**

**Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.**

Globe University, Inc. and Minnesota School of Business, Inc. are operating using a single Wells Fargo bank account owned by Minnesota School of Business, Inc. As such Globe University, Inc. will have zero disbursements and will submit the minimum fee quarterly. Minnesota School of Business, Inc. will pay expenses as incurred and will track amount paid on behalf of Globe University, Inc. via the related party receivable. Minnesota School of Business, Inc. will pay the quarterly fee based upon combined disbursements. Checks that cleared 11/20/19 were honored by Wells Fargo before the freeze on the bank account and the stop payments were issued for the remaining outstanding checks as of the date of the petition. Further, certain LLC tenants did not stop the auto pay for monthly rent due to the LLCs, and the lenders for the LLC mortgages did not stop the monthly debt auto payments from clearing the account before a new bank account was established for the LLCs. Rent checks totaling \$566,490.54 for November and December were received and not deposited until after 12/31 due to the timing of the opening of the new bank account for the LLCs and are therefore not reflected on this month's report. The Debtors expect, based on rent rolls and CAM budgets, that the real estate operations will be cash flow positive in future months. The most significant change on the financial statements since 10/31/19 was to record a \$3,709,625.84 expense, representing the amount paid to the State of Minnesota, reducing the prepaid legal balance; since all appeals have been exhausted the balance should not longer be considered prepaid.